

Function 500: Education, Training, Employment, and Social Services

Function 500 includes funding for the Department of Education, social services programs within the Department of Health and Human Services, and employment and training programs within the Department of Labor. It also contains funding for the Library of Congress and independent research and art agencies such as the Corporation for Public Broadcasting, the Smithsonian Institution, the National Gallery of Art, the John F. Kennedy Center for the Performing Arts, the National Endowment for the Arts, and the National Endowment for the Humanities.

For 2007, the President's budget provides \$74.8 billion in discretionary funding for programs in this function, a cut of \$4.0 billion below the 2006 non-emergency enacted level and of \$5.4 billion below the amount needed to maintain purchasing power for the non-emergency programs at the 2006 level. More than half of the cut is to programs in the Department of Education (ED).

Education

Cuts Education Funding by \$2.1 Billion; Eliminates 42 Programs — Despite the Administration's stated intent to strengthen American competitiveness by focusing on improving students' knowledge of math and science, the President's budget cuts federal education funding by \$2.1 billion below the comparable 2006 enacted level, which itself was below the 2005 enacted level. Within ED's 2007 budget of \$54.4 billion, the budget freezes or reduces funding for most programs and produces "savings" of \$4.1 billion by outright eliminating 42 appropriated programs that Congress funded less than two months ago, for savings of \$3.5 billion, plus recalling all prior federal contributions to the revolving funds from which colleges currently make Perkins loans, for additional 2007 savings of \$664 million. These eliminated programs cover elementary, secondary, and higher education programs – including all vocational education and technology programs, the \$347 million Safe and Drug-Free School state grant program, and the \$311 million TRIO Upward Bound program. The complete list of eliminated programs is provided on the next page.

Cuts Funding for High School Achievement — Funding aimed at improving high school achievement receives \$596 million of ED's net cut. The budget includes a new \$1.5 billion high school reform program, but more than offsets this new funding by eliminating \$2.1 billion for existing high school programs – including the elimination of all vocational education programs, mentioned above.

Math and Science Initiative Is Offset by Cuts in Technology — Likewise, the \$380 million for math and science education that is part of budget's American Competitiveness Initiative is

42 Education Programs Eliminated in the President’s 2007 Budget				
(Dollars in Millions, 2006 Enacted Level)				
Program	2006 \$		Program	2006 \$
High School:			Higher Education:	
Gaining Early Awareness (GEAR-UP)	303.4		Perkins Loans, recall revolving funds*	664.0
Smaller Learning Communities	93.5		Perkins Loans Cancellations	65.5
School Dropout Prevention	4.9		Leveraging Ed. Assist. Partnerships	65.0
TRIO Talent Search	145.3		Byrd Honors Scholarships	40.6
TRIO Upward Bound	311.0		Demos for Students with Disabilities	6.9
			Thurgood Marshall Legal Education	2.9
			Underground Railroad Program	2.0
			B.J. Stupak Olympic Scholarships	1.0
Vocational Education – every program:	1,182.4		Safe and Drug-Free Schools:	
Vocational Education State Grants	104.8		State Grants	346.5
Tech-Prep Education State Grants	9.2		Alcohol Abuse Reduction	32.4
Voc. Education National Programs				
Improving Teacher Quality:			Rehabilitation Services:	
Teacher Quality Enhancement	59.9		Supported Employment Grants	29.7
National Writing Project	21.5		Projects With Industry	19.5
School Leadership	14.7		Recreational Programs	2.5
Ready To Teach	10.9		Migrant & Seasonal Farmworkers	2.3
Ed. Technology – every program:			Civics Education	29.1
Ed. Technology State Grants	272.3		Academies for American History and Civics	2.0
Star Schools	14.9			
Even Start	99.0		Elementary/Secondary Counseling	34.7
Parental Info. and Resource Centers	39.6		Grants for Incarcerated Youth	22.8
Arts in Education	35.3		Javits Gifted and Talented Education	9.6
Comprehensive School Reform	7.9		Exchanges with Historic Partners	8.9
Mental Health Integration in Schools	4.9		Women’s Educational Equity	2.9
Close Up Fellowships	1.5		Excellence in Economic Education	1.5
Foundations for Learning	1.0			
Total Programs Eliminated = \$4.1 billion				
*This recall shows \$664 million in discretionary savings in 2007.				

funded primarily by eliminating all of ED's funding for educational technology. The math and science initiative is comprised of \$125 million for each of two programs to improve the teaching of math in elementary and middle schools, \$15 million to guide and evaluate the new math

programs, a \$90 million increase to train teachers for Advanced Placement courses, and \$25 million to hire outside professionals to teach math and science. The ED budget cuts overall funding for teacher quality improvement programs below the 2006 enacted level.

Funding Cut for Existing Programs Under the No Child Left Behind Act (NCLB) Act — The NCLB Act authorizes \$39.4 billion for elementary and secondary education programs for 2007, including \$25.0 billion for Title I grants to states. Yet the President's budget cuts overall funding for existing NCLB programs, freezes Title I at \$12.7 billion, adds its new high school and math programs, and still provides only \$24.0 billion for NCLB programs – \$15.4 billion below the authorized level.

Special Education — The budget provides \$10.7 billion for special education grants to states, which is an increase of \$95 million (0.9 percent) over the 2006 enacted level but still leaves the funding \$6.3 billion below the amount authorized for 2007. In fact, the funding is not even sufficient to maintain the federal government's current 17.7 percent share of the average per pupil expenditure for special education; for 2007, the federal share drops to 17.0 percent, well below half the 40 percent "full funding" federal contribution ceiling allowed by law.

Education Freezes

The President's budget freezes many programs at the 2006 enacted level, including:

- Impact Aid
- Title I state grants
- Pell Grant maximum
- Teacher quality grants
- Rural education
- Work-Study
- Supplemental educational opportunity grants
- 21st century community after-school programs



No Increases for Higher Education — The budget cuts the amount of aid it provides to help students pay for college. It freezes the maximum Pell Grant award at \$4,050, where it has been held since 2003 while the average tuition and fees at a four-year public college have risen \$1,393. It eliminates eight higher education programs that currently receive \$848 million.

Perkins Loans — The President's budget eliminates the \$65 million Perkins loan program that allows colleges to cancel Perkins loans for certain students who pursue public service careers following graduation. It also recalls all prior federal capital contributions to the revolving funds from which colleges currently make new Perkins loans, for 2007 discretionary savings of \$664 million. Congress rejected both these proposals last year.

Other Student Loans — The budget contains no new proposals for the mandatory student loan programs – the Federal Family Education Loan program and the Direct Loan program – in the wake of the changes made by the recently passed Republican reconciliation spending cut bill. That bill cut about \$12 billion from planned student loan spending over five years (2006-2010),

including the elimination of all mandatory spending to administer higher education programs. As a consequence of that cut, ED's 2007 budget includes \$600 million in new discretionary funding for that purpose, which simply switches the cost from mandatory to discretionary spending and precludes the use of these scarce appropriations for any new aid to students.

Employment and Training

The President's 2007 budget cuts virtually every single appropriated job training program within the Department of Labor (DOL), for an overall cut of \$652 million below the 2006 enacted level. The budget provides \$8.5 billion for these training and employment programs.

Consolidates Training Programs into Personal Accounts and Cuts the Funding — The President's budget consolidates six existing job training programs (see box below), cuts their funding by \$496 million (12.7 percent), and provides the funding through personal Career Advancement Accounts of up to \$3,000 for certain individuals.

Training Funds Cut in Personal Accounts		
<i>(dollars in millions)</i>	<u>2006</u>	<u>2007</u>
Dislocated Worker	1339	—
Adult Training	857	—
Youth Activities	940	—
Employment Services	716	—
Workforce Information	39	—
Work Opportunity Tax Credit	18	—
Total	3909	3413

Job Corps and YouthBuild — Last year Congress moved the Job Corps program within DOL to the Office of the Secretary. The 2007 budget moves Job Corps back into the Employment and Training Administration and cuts its funding by \$63 million, for a total of \$1.5 billion. The budget also transfers the YouthBuild program from the Department of Housing and Urban Development to DOL, and provides it \$50 million for 2007.

Cuts Community Service Employment for Older Americans — DOL cuts the Community Service Employment for Older Americans programs by \$44 million (10.2 percent), providing a total of \$388 million that DOL asserts will, because of "more efficient administration," still support the same number of participants as this year.

Social Services

Eliminates Community Services Block Grant — The budget eliminates the Community Services Block Grant and other community services programs, cutting \$670 million for a range of services to reduce poverty and to provide assistance in the areas of housing, health, nutrition, energy, and substance abuse.

Freezes Head Start — The budget freezes Head Start funding at \$6.8 billion. The National Head Start Association reports that if Head Start maintains its quality of services, a freeze in funding will require it to drop 19,000 children from the program next year.

Slashes the Social Services Block Grant (Title XX) —The budget cuts the Social Services Block Grant (SSBG) by \$500 million for 2007, for a total funding level of \$1.2 billion. This grant provides states with broad discretion to use these funds for social services such as child care, child welfare, home-based services, employment services, adult protective services, prevention and intervention programs, and special services for the disabled. One of the Administration’s main justifications for cutting SSBG funding is that “the flexibility of the SSBG makes it difficult to measure performance.” However, the 2007 budget moves numerous programs – such as rental assistance and foster care – in the direction of becoming flexible block grants.

Cuts National Service Programs — The budget provides \$851 million for the Corporation for National and Community Service, a cut of \$49 million from the 2006 enacted level and \$85 million (9.1 percent) below the amount needed to maintain purchasing power at the 2006 level.

Cultural Agencies

Cuts Corporation for Public Broadcasting — By custom, the Corporation for Public Broadcasting receives an appropriation two years in advance. In 2005 and 2006, Congress enacted \$400 million in funding for 2007 and for 2008. The 2007 budget now rescinds \$54 million of the already-enacted 2007 funding and \$50 million of the enacted funding for 2008. The budget also ends the practice of such “advance appropriations” and therefore does not include any additional funding for any future year.

Freezes Funding for National Endowments — The President’s budget freezes funding at the 2006 enacted level for both the National Endowment for the Arts (frozen at \$124 million) and the National Endowment for the Humanities (frozen at \$141 million).